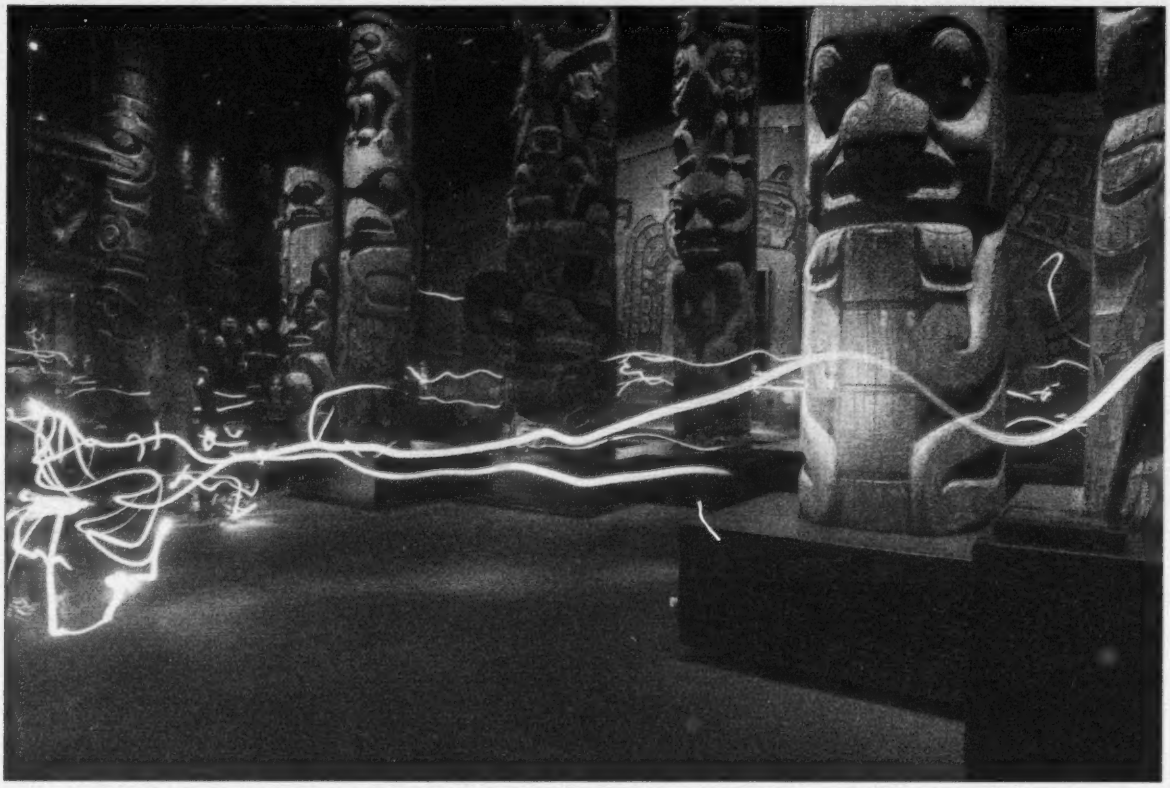
Royal BC Museum

2015/16 – 2017/18 SERVICE PLAN



The Royal BC Museum, with its world-class collection and innovative programs, is evolving into a vibrant, contemporary cultural space illuminating the many facets of BC's rich history.

ROYAL BC MUSEUM

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Accountability Statement

The 2015/16 – 2017/18 Royal BC Museum service plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

All significant assumptions, policy decisions, events and identified risks, as of January 2015 have been considered in preparing the plan. The performance measures presented are consistent with the Royal BC Museum's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of the Royal BC Museum's operating environment, forecast conditions, risk assessment and past performance.

Susan Knott, A/Chair
Royal BC Museum Board of Directors

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Strategic Direction and Context

Strategic Direction

In its 2015/16 Mandate Letter, government directed the Royal BC Museum to focus on the following priorities, which support the delivery of cost-efficient, effective, value-for-money museum and archives services to the citizens of British Columbia, in accordance with the Taxpayer Accountability Principles:

a) Work together with stakeholders to promote the upcoming 2015 Gold Rush exhibit and the importance of the BC Gold Rush to the history of the province.

b) Continue to develop key relationships with partners in China to support research, collections, exhibition touring and increased tourism to B.C.

c) Continue implementation of the comprehensive new learning strategy.

d) Commence the implementation of the Royal BC Museum revitalization plan to provide more opportunities to expand programs and exhibits; diversify and increase revenue opportunities. The scale of the redevelopment is contingent on the Royal BC Museum's capacity to fund the changes internally or through public support.

Operating Environment

Close to 40 per cent of Royal BC Museum's basic operating budget is funded by admissions revenue and philanthropic contributions, both variable and unpredictable sources. Uncertainty about visitor numbers, and the discretionary spending of those who do visit, makes financial planning challenging.

The roles and functions of cultural institutions worldwide are changing, offering opportunities for greater efficiency and effect through partnerships, collaboration and innovation.

That is why we continue to seek ways to diversify and increase these revenue sources, including hosting engaging exhibitions that appeal to a wide audience. Many of these exhibitions are years in the making, and it is difficult to plan and prepare for a fluctuating global economy and its impacts. Last year saw an increase in tourism, particularly from U.S. visitors. Currency exchange rates and a more buoyant U.S. economy should see that trend continue into 2015/16.

On behalf of government, the Royal BC Museum manages $80 million worth of building assets located in Victoria, B.C. Additionally, we care for and maintain $200 million worth of collections.

Key financial and operational challenges include: the costs of repair to our aging infrastructure and associated risks to our collections as well as costs for digitization and storage. A stable annual grant from the government shareholder ensures that the Royal BC Museum is able to fulfill its legislated mandate, including assigning funds to maintenance expenditures (approximately $3 million per year)

and other operational activities (such as development of new exhibitions and educational programs, and preservation, care and acquisition of collections).

Performance Plan

Goals, Strategies, Measures and Targets

Our goals are inter-related and mutually supportive. Together, they provide a strong foundation for meeting our legislated mandate and supporting government's priorities by creating a museum that can attract more visitors; improving long-term care of and access to the province's collections and archives; and providing an educational resource for all British Columbians.

We plan to achieve our goals by creating a more engaging environment for visitors; working to improve visitor satisfaction; increasing attendance on site, including attendance at learning programs and events; increasing visitor volume on line; improving our protection of the collections and archives; and increasing community support and revenues earned from operations.

By advancing our appeal, reputation and ability to preserve and share our knowledge and collections, we will boost admissions, revenues and philanthropic opportunities, which in turn enhance our financial sustainability. By developing as a progressive organization, we will continue to have the expertise to meet our mandate and the Taxpayer Accountability Principles. Our success will yield jobs, tourism revenues, an enhanced reputation for the province, and enriched learning opportunities for school children and adults.

These measures support sustainable services and programs as a lasting legacy for generations to come.

Goal 1: Create a unique Royal BC Museum

Creating a unique B.C. museum and archives will enable us to attract and engage more visitors, better fulfilling our mandate to communicate knowledge of B.C.'s human and natural history. It will also increase our cost-efficiency by producing higher admission revenues and helping us to attract volunteers, sponsors and donors.

We seek to build and develop our audience by engaging visitors as soon as they step through our doors, and an inviting and accessible entrance is central to this effort. Our plan for phased site renewal proposes a new gallery featuring the works of Emily Carr, monumental totems and artifacts in the Pacific Worlds gallery, new wayfinding and signage, and enhanced visitor amenities – all designed to significantly enhance the visitor experience of, and journey through, the Royal BC Museum. The plan would also accommodate a reconfigured retail area to support increased revenues. The scale of the redevelopment is contingent on our capacity to fund the changes internally or through fundraising. Our goal is to secure capital funding so that we can complete this project as a legacy for Canada's 150th birthday anniversary. In the interim, we will continue to implement such measures as we can accommodate within our operating budget.

Our exhibitions plan addresses the renewal of both the Natural History and Human History galleries, and creates a new stream of feature exhibitions. In 2015, we will present a new blockbuster exhibition *Gold Rush! El Dorado in British Columbia*; featuring Aztec gold from Bogotá, Colombia. Highlighting the treasures from B.C. and from collections around the province, nationally, and internationally, enables us to tell the story of gold exploration and its impacts on lives and landscapes in B.C. and around the world.

Strategies

- Improve the quality of the museum's main entrance.
- Provide visitors with a first-class welcome.
- Continue to build on our definitive collections to refresh the lower floor of the museum.
- Provide vibrant temporary exhibitions and refreshed permanent galleries.

These efforts support the Cost Consciousness and Service aspects of the Taxpayer Accountability Principles and our legislated mandate to serve as an educational institution.

Performance Measure 1: Number of on-site visitors

Performance Measure	2012/13 Baseline[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Number of on-site visitors, in millions (M)	0.67 M	0.65 M[2]	0.71 M[3]	0.69 M[4]	0.68 M[5]	0.71 M[6]

Data Source: Data includes ticketed visitors to the museum and IMAX, counted automatically by our entrance systems. This data is tightly controlled and is reliable. Non-ticketed visitor numbers are recorded manually via registration for events/courses and by head counts at events. Non-ticketed visitors accounted for about 11 percent of the overall total in 2014/15.

[1] Measurement approaches and specific metrics in PM 1 were changed in 2014 after the adoption of new methodology to forecast, measure and report more meaningful targets with increased accuracy. Baseline figures were adjusted to be comparable. Further refinements were introduced in 2014, with the metrics adjusted accordingly. See notes below for more detail.

[2] *Race to the End of the Earth* exhibition did not draw expected number of visitors.

[3] *Vikings* exhibition attendance exceeded our expectations.

[4] *Gold Rush* exhibition is expected to be a good draw, but less than Vikings.

[5] The *Mammoths* exhibition is here for 3 months only, so pre- and post-summer visits will be lost. As well, the First People's gallery is expected to be undergoing renewal during this fiscal year.

[6] In 2017/2018 we expect to have an increase in attendance with the new First People's gallery in place and extended celebrations around Canada's 150th birthday.

Discussion

Visitor volume is a key indicator of our success in providing effective museum and archives services. In 2014, we adopted a new measurement approach that more accurately reflects the numbers of people coming through our doors. The figures now include:

- paid attendance: tickets sold, including family members; membership visits;
- complimentary attendance;

- school groups, visits to the collections and archives, tours, courses, lectures, and people attending private events in gallery-rented space;
- visits to Royal BC Museum events, including events hosted by third parties; and
- IMAX visits (these account for about 300,000 visitors a year, for which we provide services and amenities); combined Museum/IMAX tickets are counted as a single visit to the museum.

2015/16 Milestones

- Initiate an integrated program of temporary exhibitions and gallery renewals based on a greater focus on British Columbia and on our collections.
- Advance work on the Pacific Worlds and Emily Carr galleries.
- Advance work on transforming the First Nations galleries, in partnership with the First Nations and others, towards a 2017 target.

Performance Measure 2: Visitor satisfaction

Performance Measure	2012/13 Baseline	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target[1]	2017/18 Target
Per cent of visitors surveyed satisfied with services	90%	93%	93%	93%	90%	94%

Data Source: Data is gathered in exit interviews with a random sample of visitors to our physical site. The data is reliable with 95% confidence, 19 times out of 20.

[1] The First Peoples Gallery is expected to be undergoing renewal during this fiscal year, which could impact scores.

Discussion

This measures our ability to provide an inviting and engaging environment, fulfilling the education and service parts of our mandate.

2015/16 Milestones

- Conduct periodic evaluations to determine visitor composition, needs, interests and satisfaction.
- Devise and implement a comprehensive Visitor Service Strategy in partnership with all visitor-facing service providers within the Museum.

Performance Measure 3: Attendance at learning programs and events[1]

Performance Measure	2013/14 Baseline	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
People attending our learning programs and events	82,695	82,695	85,000	85,000	85,000	85,000

Data Source: The data is compiled mainly from manual counts and course registrations. Figures are based on the number of people of all age groups attending all learning programs held throughout the year.

This performance measure was changed in the 2013/14 Annual Report from the per cent of visitors reporting an increased understanding of the B.C. story, as it was felt to be a more meaningful measure.

Discussion

Our mandate under the *Museum Act is* to communicate knowledge of human and natural history through exhibitions, research and programs.

The number of people attending our growing offering of learning programs is a strong measure of the public's appetite for such programs, and of the programs' success.

In 2015/16, the Learning Portal and revitalized programs will support adult, family and "third age" adult learners. Docent programs will continue to be repurposed to appeal to modern learners, becoming more in-depth, interactive and entertaining. Our popular learning programs and events provide a venue for members, researchers and scientific groups to discuss contemporary issues. Programs also contribute to our financial sustainability.

Goal 2: Strengthen our digital infrastructure and reputation

Our digital presence is the virtual face of the Royal BC Museum, supporting our reputation and by extension, that of British Columbia. It is the public portal to information, virtual exhibitions, social media sites and, increasingly, to our collections, our experts, our educational programs and even to our commercial activities. This being the case, online visitor volume is a strong indicator of our success in becoming a modern, accessible museum.

The first goal of digitization is preservation – ensuring fragile records, such as historic recordings and films, are available for future generations. Digital information is accessible and searchable, significantly extending its reach and its value to researchers worldwide. Digitization opens up commercial opportunities such as sales of e-publications, photographs and posters, image rights, online conferences and treasures from the Royal Museum Shop.

These efforts support the Cost Consciousness and Service aspects of the Taxpayer Accountability Principles and our legislated mandate to serve as an educational institution.

Strategies

- Assess the strengths and weaknesses of our existing digital infrastructure, and determine prioritized opportunities for improvement.
- Create an online Atlas of British Columbia as a single portal to our collections, research and datasets.
- Improve our digital learning outputs to meet the needs of learners throughout British Columbia.
- Develop a digital communication strategy.

Performance Measure 4: Visitor volume online

Performance Measure	2012/13 Baseline[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Total visitors to website, in millions (M)	2.5 M page views 0 .49 M web visits	2.4 M page views .81 M web visits	2.8 M page views 1.0 M web visits	3.0 M page views 1.2 M web visits	3.2 M page views 1.4 M web visits	3.4 M page views 1.6 M web visits

Data Source: Collected by our website statistics (page views, unique visitors). Data is tightly controlled and reliable.

[1] Website architecture changed since the 2013/14 Service Plan. Page-per-view data was not comparable to previous years, and baseline and projections were adjusted accordingly. Despite expanded digital products, online visitor volumes have grown more slowly than expected, and targets were adjusted from the 2013/14 Annual Report.

Discussion

Visitor volume online is fundamental in assessing the success of our online presence.

Central to our digitization work is developing partnerships. The time and effort needed for us to digitize the more than seven million items in our collection would be prohibitive, so, like other museums and archives around the world, we continue to look for synergies with digitizing partners, like the Google Cultural Institute.

Beginning in 2014, we are measuring the number of images digitized and the hours of audio and video recorded. When we have a full year of data, this will be a new performance measure. The amount of digitization accomplished should also result in higher numbers of visits to our website.

We will launch a Learning Portal in 2015 with online resources for educators and students across the province. This is the first module of our online Atlas of British Columbia, which will be the definitive source for information about our province's collections. Content will come from our collections and our experts, and via links to our partner organizations. This will be a place for researchers to get a full and accurate picture of the human and natural history of B.C. and the stories the collections provide. Numbers of online visitors to the Learning Portal and other modules will be reflected in overall visitor numbers, and they may be added as a separate performance measure.

Goal 3: Enable greater access to our collections and archives while improving their long-term care

Central to our legislated mandate is to fulfil the government's fiduciary role as a public trustee of specimens, artifacts, the archives of government and private archival records and other materials that illustrate the natural and human history of B.C., and to hold collections for current and future generations of British Columbians.

Government's Mandate Letter includes direction to implement the Royal BC Museum's China Strategy. We have developed key relationships with partners in China to support research, collections, exhibition touring and increased tourism to British Columbia These partnerships and collaborations with major museums in Beijing, Guangdong and Hong Kong demonstrate the Royal BC Museum's increasing international profile, contributing to opportunities for future growth and development, and supporting government's intention to maximize B.C.'s cultural assets to drive tourism opportunities.

Strategies

- Manage the ongoing security of the Royal BC Museum's artifacts, specimens and archives by working to advance the masterplan we developed in 2013.
- Develop a plan for a new public gallery and study centre for the Royal BC Museum's unseen Emily Carr works, including her writings.
- In close collaboration with the Ministry of Technology, Innovation and Citizens' Services, advance work on a solution to the backlog of government records that have not been deposited in the BC Archives.
- Develop and publish the Museum's Research Strategy.

These efforts support the Cost Consciousness and Service aspects of the Taxpayer Accountability Principles and our legislated mandate to fulfil government's fiduciary role for the collections and archives.

Performance Measure 5: Protection of Royal BC Museum collections

Performance Measure	2010/11 Baseline	2013/14 Actual	2014/15 Forecast	2015/16 Target[2]	2016/17 Target[2]	2017/18 Target[2]
Collection Risk Management Index (CRMI) score[1]	88%	82%	80%	TBD	TBD	TBD

Data Source: Royal BC Museum Collection Risk Management Index (CRMI)

[1] The CRMI is based upon number of items re-housed, re-boxed or re-catalogued to the acceptable standard against the total number of collections items (artifacts, specimens and records). Achievements are calculated by the number of items housed in proper storage divided by the total number of items needing storage.

[2] The data source for this measure is being re-evaluated in light of current international standards and a more comprehensive assessment of risk. New targets will be developed accordingly.

Discussion

Ongoing capital investments are required by the Royal BC Museum in order to continue to renew the site to preserve, protect and provide access to the human and natural history collections of British Columbia. In this regard, we have developed a masterplan for the Royal BC Museum and we are now in consultation with our stakeholders to make decisions regarding future investments. As part of our renewal effort, we continue to work on securing funding from all levels of government and private sector partners and philanthropists to move forward with implementing our masterplan.

Milestones 2015/16

- Develop a more representative, more accurate data source for the performance measure.
- Advance work on a solution to a backlog of government archives.
- Continue to advance the warehouse rationalization project.
- Advance work to relocate the Emily Carr collection to an Emily Carr Gallery.
- Develop and publish the Royal BC Museum's Research Strategy.

Goal 4: Develop as a financially sustainable and progressive organization.

Taxpayer accountability principles promote efforts to support sustainable public policies and programs as a lasting legacy for generations to come.

Government's Mandate Letter includes direction to implement the Royal BC Museum's China Strategy. We have developed key relationships with partners in China to support research, collections, exhibition touring and increased tourism to British Columbia. These partnerships and collaborations with major museums in Beijing, Guangdong and Hong Kong demonstrate the Royal BC Museum's increasing international profile, contributing to opportunities for future growth and development and supporting government's intention to maximize B.C.'s cultural assets to drive tourism opportunities.

Strategies

- Strengthen and diversify our funding base, to generate additional income and increase other strands of self-generated income.
- Align our skills and succession with our forward plan.
- Strengthen and grow community support, including growing and enhancing the volunteer program of the museum and archives.
- Strengthen international relationships, especially with emerging markets (e.g. China and India).

Performance Measure 6: Revenue earned from operations

Performance Measure	2012/13 Baseline	2013/14 Actual	2014/15 Forecast[1]	2015/16 Target[1]	2016/17 Target	2017/18 Target
Revenue earned from operations, in millions (M)	$7.0 M	$7.5 M	$8.4 M	$8.3 M	$8.3 M	$8.2 M

Data Source: Royal BC Museum financial reporting systems

[1] Revenue from operations includes admission fees, memberships, lease and licensing revenue. This amount also includes donated collections and artifacts, sponsorships and grants and donations received to offset program expenditures incurred in the fiscal year. Projections allow for necessary additional revenues to cover inflation.

Discussion

Strengthen and grow relationships in communities throughout British Columbia, including growing and enhancing the museum and archives' volunteer program.

2015/16 Milestones:

- Develop business strategies for key commercial opportunities.
- Identify new sources of research funding within the finalized Research Strategy.
- Advance goal of raising enough funds to deliver and complete the Emily Carr Gallery, Pacific Worlds Gallery and refresh of lobby spaces (Phase 1) of masterplan.

- Deliver an integrated Human Resource Strategy that links performance management with training and development, and aligns skills with organizational priorities, succession planning and talent management.
- Strengthen and grow relationships in communities throughout British Columbia, including growing and enhancing the museum and archives' volunteer program.
- Implement recommendations of 2014 Volunteer Program Review.
- Open two exhibitions in China in March 2015 and November 2015.

Performance Measure 7: Community support

Performance Measure	2012/13 Baseline	2013/14 Actual	2014/15 Forecast	2015/16 Target[1]	2016/17 Target	2017/18 Target
Number of volunteer hours[1]	37,305	36,000[4]	38,000[4]	38,000[4]	38,000[4]	38,000[4]
Value of media, both in-kind and earned, in millions (M)[2]	in-kind: $0.225 M earned: $1.0 M	in-kind: $1.36 M earned: $1.22 M	in-kind: $0.3 M earned: $1.1 M	in-kind: $0.35 M earned: $1.2 M	in-kind: $0.35 M earned: $1.2 M	in-kind: $0.35 M earned: $1.2 M
Donations (cash and in-kind) and grants, in millions (M)[3]	$0.6 M[5]	$0.75 M	$0.75 M	$0.8 M	$0.85M	$0.85M

Data Sources:

[1&2] RBCM Marketing, Sales and Development records;

[3] RBCM financial reporting systems.

[4] 2013/14 results reflect low staffing levels, with fewer staff available to manage volunteers; ongoing targets were lowered from previous targets of 42,000, reflecting a reduced need for on-site school programs with the upcoming implementation of the Learning Portal.

[5] The 2012/13 results of $0.016 were anomalous; the benchmark was adjusted upwards.

Discussion

Community support is measured through volunteerism, in-kind goods and services (cash and in-kind) and grants. Support in these areas reduces our operating budget needs.

2015/16 Milestones:

- Establish a Campaign Cabinet to enable and oversee fundraising, based on the Fund Development Plan developed in 2014.

Financial Plan

Summary Financial Outlook

($m)	2013/14 Actual	2014/15 Forecast	2015/16 Budget	2016/17 Budget	2017/18 Budget
Total Revenue					
Province of British Columbia Operating Contributions	11,866,000	11,866,000	11,813,000	11,866,000	11,866,000
Museum admission fees	3,604,247	5,059,636	4,400,000	4,300,000	4,500,000
Other income	3,931,116	3,323,028	3,929,543	3,977,955	3,654,666
Total Revenue	**19,401,363**	**20,248,663**	**20,142,543**	**20,143,955**	**20,020,666**
Total Expenses					
Salaries, benefits and recruitment	8,303,463	8,620,764	9,000,000	9,090,000	9,180,900
Building costs	2,217,313	2,092,125	2,113,046	2,134,177	2,155,518
Taxes - City of Victoria	654,126	643,310	656,176	669,300	682,686
Security	933,959	837,000	845,370	853,824	862,362
Amortization	1,203,558	1,319,467	1,391,778	1,444,219	1,264,539
Special Exhibition	1,215,017	1,658,000	1,932,763	1,750,506	1,657,242
Other Operating Costs	4,851,707	5,016,079	4,140,019	4,153,763	4,167,644
Total Expenses	**19,379,143**	**20,186,745**	**20,079,152**	**20,095,788**	**19,970,891**
Net Income	**22,220**	**61,919**	**63,391**	**48,167**	**49,776**
Total Liabilities / Debt	**0**	**0**	**0**	**0**	**0**
Accumulated Surpluses/ Retained Earnings (even if zero)	**12,901,084**	**12,963,003**	**13,026,394**	**13,074,561**	**13,124,337**

Note: Royal BC Museum does not report by core business area; financial information is by revenue/expense categories (i.e., STOB).

Key Forecast Assumptions

Close to 40 per cent of the Royal BC Museum's expenditures are funded by admissions revenue and philanthropic contributions, sources that, by their nature, are variable and unpredictable.

The continued existence of the Royal BC Museum in its present form and with its present programs is dependent on government policy and on receiving continuing operating contributions from the Province of British Columbia.

Management Perspective on Future Financial Outlook

Going forward, financial projections indicate modestly positive operating results. However, these projections depend to a large extent on revenues that are difficult to forecast and subject to changing external factors.

As admissions are a major revenue stream, we are working to create more opportunities to attract visitors and enlist memberships, offering compelling reasons to visit the museum and archives.

We are focusing on growth of internal and external business channels and the continued growth of our online sales, publishing revenue and licensing of our image banks.

The fundraising success of the Royal BC Museum is necessary to the maintenance and growth of our business operations and revitalizing of our galleries and buildings. We have revised our fundraising program and have planned strategic initiatives that will build on our foundation of success.

Capital investments are still very much required by the Royal BC Museum in order to continue to renew the site to preserve, protect, and provide access to the human and natural history collections of British Columbia. In this regard we developed a masterplan for the Royal BC Museum and we are now in consultation with our stakeholders to make decisions regarding future investments. As part of our renewal effort, we continue to work on securing funding from all levels of government, private sector partners and philanthropists to enable us to move forward with the implementation of our masterplan.

Appendices

Appendix A: Links to Additional Information

- Mandate Letter from Government

Royal BC Museum Corporate Governance

- Board of Directors
- Board Committees
- Senior Management
- Governance Principles
- Key Accountability Relationships
- The Board governance information on the Royal BC Museum website includes all information required by the Board Resourcing and Development Office's board governance disclosure requirements.

Organization Overview

- Enabling statute
- Mandate provided in enabling statute
- Vision and Values
- Business areas
- Benefit to the public
- How services are delivered
- Location